

**NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND YEAR ENDED 31 DECEMBER 2015**

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**PART A: EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD  
("MFRS") 134: INTERIM FINANCIAL REPORTING**

**A1. BASIS OF PREPARATION**

These condensed consolidated interim financial statements ("Interim Reports") are unaudited and have been prepared in accordance with the requirements of MFRS 134 "Interim Financial Reporting" issued by the Malaysian Accounting Standards Board ("MASB") and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

These unaudited Interim Reports should be read in conjunction with the Group's consolidated audited annual financial statements for the financial year ended 31 December 2014. The explanatory notes attached to these Interim Reports provide an explanation of events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2014.

**A2. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies and presentation adopted by the Group in these Interim Reports are consistent with those adopted in the Group's consolidated audited financial statements for the financial year ended 31 December 2014.

The following amendments and annual improvements to MFRSs that are effective on 1 January 2015 have been adopted by the Group and did not have any material impact to the current financial year's financial statements of the Group.

- Amendments to MFRS 119 Defined Benefits Plans – Employees Contributions
- Annual improvements to MFRS 2010 -2012 Cycle (effective from 1 July 2014)
- Annual improvements to MFRS 2011 -2013 Cycle (effective from 1 July 2014)

The following MFRSs, amendments and improvements to MFRSs have been issued by MASB and are not yet effective for adoption by the Group:

***Effective from financial year beginning on or after 1 January 2016***

- Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures – *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
- Amendments to MFRS 10 Consolidated Financial Statements, MFRS 12 Disclosure of Interests in Other Entities and MFRS 128 Investments in Associates and Joint Ventures – *Investment Entities: Applying the Consolidation Exception*
- Amendments to MFRS 11 Joint Arrangements – *Accounting with Acquisitions of Interests in Joint Operations*
- MFRS 14 Regulatory Deferral Accounts
- Amendments to MFRS 101 Presentation of Financial Statements – *Disclosure Initiative*
- Amendments to MFRS 116 Property, Plant and Equipment and MFRS 138 Intangible Assets – *Clarification of Acceptable Methods of Depreciation and Amortisation*

**NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND YEAR ENDED 31 DECEMBER 2015**

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**A2. SIGNIFICANT ACCOUNTING POLICIES** (continued)

***Effective from financial year beginning on or after 1 January 2016 (continued)***

- Amendments to MFRS 116 Property, Plant and Equipment and MFRS 141 Agriculture – *Bearer Plants*
- Amendments to MFRS 127 Consolidated and Separate Financial Statements – *Equity Method in Separate Financial Statements*
- Annual improvements to MFRSs 2012-2014 Cycle

***Effective from financial year beginning on or after 1 January 2017***

- Amendments to MFRS 15 Revenue from Contracts with Customers

***Effective from financial year beginning on or after 1 January 2018***

- MFRS 9 Financial Instruments – *Classification and Measurement of Financial Assets and Financial Liabilities*

The Group will assess the application of adopting MFRS 9 before the effective date.

The other amendments and improvements to MFRSs are not expected to have any material impact on the Group.

**A3. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS**

The Group's business operations for the current financial quarter and year ended 31 December 2015 were not significantly affected by any seasonal or cyclical factors.

**A4. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE**

There were no items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size, or incidence during the current financial quarter and year ended 31 December 2015.

**A5. CHANGES IN ESTIMATES**

There were no changes in estimates that have any material effect in the current financial quarter and year ended 31 December 2015.

**NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND YEAR ENDED 31 DECEMBER 2015**

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**A6. DEBT AND EQUITY SECURITIES**

During the current financial quarter and year ended 31 December 2015, the Company has purchased a total 646,800 and 10,145,100 ordinary shares of its issued share capital respectively from the open market at an average price of RM0.71 per share. The total purchase consideration paid for the share buy-back including transaction costs during the current financial quarter and year ended 31 December 2015 amounted to RM547,967 and RM7,178,435 respectively and were financed by internally generated funds. The shares so purchased are held as treasury shares in accordance with Section 67A of the Companies Act, 1965 and carried at purchase cost.

On 1 December 2015, the Company cancelled 11,661,500 of its treasury shares in accordance with Section 67A of the Companies Act, 1965. Accordingly, the Company's issued share capital was diminished by cancellation of the said treasury shares.

As at 31 December 2015, the total number of treasury shares held was 508,800 ordinary shares.

Other than above, there were no issuances, repurchases and repayments of debt and equity securities during the current financial quarter and year ended 31 December 2015.

**A7. DIVIDEND PAID**

In respect of the financial year ended 31 December 2015, the following dividend payments were made:

- (a) a first interim dividend of 3 sen per share under the single-tier dividend system totalling RM9,000,302 on 30 April 2015; and
- (b) a second interim dividend of 3 sen per share under the single-tier dividend system totalling RM8,786,000 on 9 October 2015.

**A8. SEGMENTAL INFORMATION**

The Group has six (6) operating segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they employ different technology and marketing strategies. The operating segments are reported in a manner consistent with the internal reporting provided to the Executive Committee of the Company (the chief operating decision maker). The following summary describes the operations in each of the Group's operating segments:

- General insurance - underwriting all classes of general insurance business
- Family takaful business - underwriting family takaful business
- General takaful business - underwriting general takaful business
- Shareholders' fund of the insurance and takaful businesses
- Card business - business of prepaid cards and other related cards and services
- Investment holdings

Other segments comprise hire purchase, leasing and other credit activities, property management, consultancy services and education services.

There have been no material changes in total assets, the basis of segmentation and the basis of measurement of segment profit or loss from the last annual financial statements, except the General insurance business was recognised as operating segment for 11 months period ended 30 November 2015 before the subsidiary that carried out the general insurance business was deconsolidated from group consolidated account as stated in Note B10(e) of this report.

**NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND YEAR ENDED 31 DECEMBER 2015**

**A8. SEGMENTAL INFORMATION (continued)**

	Insurance		Takaful			Card business	Investment holdings	Other segments		Total
	General insurance	Share-holders' fund	General takaful	Family takaful	Share-holders' fund					
	RM'000	RM'000	RM'000	RM'000	RM'000	<u>Discontinued</u> RM'000	RM'000	<u>Continuing</u> RM'000	<u>Discontinued</u> RM'000	RM'000
<b><u>3 months period ended</u></b> <b><u>31 December 2015</u></b>										
External revenue	32	181	67,058	65,419	956	56	1,918	784	-	136,404
Profit/(loss) by segments	1,480	(8,346)	(204)	(816)	3,047	(137)	38,368	(801)	-	32,591
Zakat	-	-	-	-	(72)	-	-	-	-	(72)
Tax expenses attributable to participants	-	-	204	(1,394)	-	-	-	-	-	(1,190)
	1,480	(8,346)	-	(2,210)	2,975	(137)	38,368	(801)	-	31,329
Share of loss of associates not included in reportable segments										(22)
Profit before taxation <sup>(*)</sup>										<u>31,307</u>

(\*) consist of profit before taxation from:

	RM'000
- Continuing	31,444
- Discontinued	(137)
	<u>31,307</u>

**NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND YEAR ENDED 31 DECEMBER 2015**

**A8. SEGMENTAL INFORMATION (continued)**

	Insurance		Takaful			Card business	Investment holdings	Other segments		Total
	General insurance	Share-holders' fund	General takaful	Family takaful	Share-holders' fund					
	RM'000	RM'000	RM'000	RM'000	RM'000	<u>Discontinued</u> RM'000	RM'000	<u>Continuing</u> RM'000	<u>Discontinued</u> RM'000	RM'000
<b>12 months period ended 31 December 2015</b>										
External revenue	165	437	283,137	262,019	3,866	417	9,095	6,960	-	566,096
Profit/(loss) by segments	675	(2,725)	1,705	(2,661)	7,383	(1,363)	27,145	1,940	(8)	32,091
Zakat	-	-	-	-	(72)	-	-	-	-	(72)
Tax expenses attributable to participants	-	-	(1,154)	(2,034)	-	-	-	-	-	(3,188)
	675	(2,725)	551	(4,695)	7,311	(1,363)	27,145	1,940	(8)	28,831
Share of profit of associates not included in reportable segments										3,790
Profit before taxation <sup>(*)</sup>										<u>32,621</u>

<sup>(\*)</sup> consist of profit/(loss) before taxation from:

	RM'000
- Continuing	33,992
- Discontinued	(1,371)
	<u>32,621</u>

**NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND YEAR ENDED 31 DECEMBER 2015**

**A8. SEGMENTAL INFORMATION (continued)**

	Insurance		Takaful			Card business	Investment holdings		Other segments		Total
	General insurance	Share-holders' fund	General takaful	Family takaful	Share-holders' fund						
	RM'000	RM'000	RM'000	RM'000	RM'000	<u>Discontinued</u> RM'000	<u>Continuing</u> RM'000	<u>Discontinued</u> RM'000	<u>Continuing</u> RM'000	<u>Discontinued</u> RM'000	RM'000
<b>3 months period ended 31 December 2014</b>											
External revenue	49	87	83,407	82,799	1,005	68	2,485	-	950	1	170,851
Profit/(loss) by segments	6,495	2,740	(4,228)	(7,993)	12,294	(112)	(21,583)	20,113	1,468	(12,880)	(3,686)
Tax income attributable to participants	-	-	3,677	1,755	-	-	-	-	-	-	5,432
	6,495	2,740	(551)	(6,238)	12,294	(112)	(21,583)	20,113	1,468	(12,880)	1,746
Share of profit of associates not included in reportable segments											1,714
Profit before taxation <sup>(*)</sup>											3,460

<sup>(\*)</sup> consist of profit/(loss) before taxation from:

	RM'000
- Continuing	(3,661)
- Discontinued	7,121
	<u>3,460</u>

**NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND YEAR ENDED 31 DECEMBER 2015**

**A8. SEGMENTAL INFORMATION (continued)**

	Insurance		Takaful			Card business	Investment holdings		Other segments		Total
	General insurance	Share-holders' fund	General takaful	Family takaful	Share-holders' fund						
	RM'000	RM'000	RM'000	RM'000	RM'000	<u>Discontinued</u> RM'000	<u>Continuing</u> RM'000	<u>Discontinued</u> RM'000	<u>Continuing</u> RM'000	<u>Discontinued</u> RM'000	RM'000
<b><u>12 months period ended</u></b>											
<b><u>31 December 2014</u></b>											
External revenue	290	446	290,650	381,917	3,862	251	10,543	-	7,023	5	694,987
Profit/(loss) by segments	16,991	897	(2,511)	(11,170)	8,705	(2,828)	(15,460)	20,113	216	189	15,142
Tax income/(expenses) attributable to participants	-	-	1,960	(178)	-	-	-	-	-	-	1,782
	16,991	897	(551)	(11,348)	8,705	(2,828)	(15,460)	20,113	216	189	16,924
Share of profit of associates not included in reportable segments											2,320
Profit before taxation <sup>(*)</sup>											<u>19,244</u>

<sup>(\*)</sup> consist of profit before taxation from:

	RM'000
- Continuing	1,770
- Discontinued	17,474
	<u>19,244</u>



**NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND YEAR ENDED 31 DECEMBER 2015**

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**A9. MATERIAL SUBSEQUENT EVENTS**

There were no material events subsequent to the financial year ended 31 December 2015 that have not been reflected in these Interim Reports.

**A10. CHANGES IN THE COMPOSITION OF THE GROUP**

- (a) On 20 May 2015, MAACA Corporate Services Sdn Bhd ceased to be a subsidiary of the Group as stated in note B10(b) of this report.
- (b) On 1 December 2015, PT MAA General Assurance (“PT MAAG”) ceased to be a subsidiary of the Group as stated in note B10(e) of this report.

**A11. VALUATION OF PROPERTY, PLANT AND EQUIPMENT**

The Group’s property, plant and equipments were stated at cost less accumulated depreciation and accumulated impairment loss if any. During the financial year ended 31 December 2015, the Group has performed impairment assessment on its property, plant and equipments and impairment loss allowance being the difference between carrying value and recoverable amount have been recognised in the income statement.

**A12. VALUATION OF INVESTMENT PROPERTIES**

Investment properties of the Group had been carried at revalued amount at the financial year ended 31 December 2014. During the financial year ended 31 December 2015, the Group has revalued its investment properties and the gains arising from changes in fair values of investment properties have been recognised in the income statement.

**A13. CONTINGENCIES**

In the normal course of business, the insurance and takaful subsidiaries of the Company incur certain liabilities in the form of performance bonds and guarantees on behalf of customers. No material losses are anticipated as a result of these transactions.

Details of the Group’s contingent liabilities are as follows:

	<b>As at 31.12.2015</b>	<b>As at 31.12.2014</b>
	RM’000	RM’000
Performance bonds and guarantees	29,033	25,950

**A14. CAPITAL COMMITMENTS**

The Group's capital commitments not provided for in these Interim Reports is as follows:

	<b>As at 31.12.2015</b>
	RM'000
Authorised and contracted for:	
- Office renovation	366

**MAA GROUP BERHAD (471403-A)**  
(Incorporated in Malaysia)

**NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND YEAR ENDED 31 DECEMBER 2015**

**A15. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION BY FUNDS (UNAUDITED)  
AS AT 31 DECEMBER 2015**

	Shareholders' fund	General takaful fund	Family takaful fund	Total
	RM'000	RM'000	RM'000	RM'000
<b>Assets</b>				
Property, plant and equipment	15,241	-	-	15,241
Investment properties	19,356	-	-	19,356
Intangible assets	2,904	-	-	2,904
Associates	67,954	-	-	67,954
Deferred tax assets	-	2,334	-	2,334
Tax recoverable	331	2,642	9	2,982
Reinsurance/retakaful assets	-	258,009	12,399	270,408
Investments	86,763	86,427	415,394	588,584
Financial assets at fair value through profit of loss	5,524	-	348,381	353,905
Available-for-sale financial assets	42,463	62,778	41,620	146,861
Held-to-maturity financial assets	-	15,245	25,387	40,632
Loans and receivables	38,776	8,404	6	47,186
Insurance/takaful receivables	-	76,775	4,266	81,041
Trade and other receivables	38,561	2,728	1,556	42,845
Cash and cash equivalents	251,506	50,938	48,068	350,512
Assets classified as held for sale	6,393	-	-	6,393
<b>Total assets</b>	<b>489,009</b>	<b>479,853</b>	<b>481,692</b>	<b>1,450,554</b>
<b>Equity, policyholders' funds and liabilities</b>				
<b>Liabilities</b>				
Insurance/takaful contract liabilities	-	380,616	465,992	846,608
Deferred tax liabilities	899	-	405	1,304
Insurance/takaful payables	-	83,345	4,977	88,322
Trade and other payables	43,738	9,654	10,207	63,599
Current tax liabilities	9,353	-	216	9,569
Liabilities directly associated with assets classified as held for sale	1,281	-	-	1,281
<b>Total liabilities</b>	<b>55,271</b>	<b>473,615</b>	<b>481,797</b>	<b>1,010,683</b>
<b>Equity, policyholders' funds and liabilities</b>				
Share capital	292,692	-	-	292,692
Treasury shares	(444)	-	-	(444)
Retained earnings/(accumulated losses)	128,681	-	(16,043)	112,638
Reserves	7,196	-	-	7,196
<b>Total equity attributable to the owners of the Company</b>	<b>428,125</b>	<b>-</b>	<b>(16,043)</b>	<b>412,082</b>
Non-controlling interests	27,789	-	-	27,789
<b>Total equity</b>	<b>455,914</b>	<b>-</b>	<b>(16,043)</b>	<b>439,871</b>
<b>Total equity, policyholders' funds and liabilities</b>	<b>511,185</b>	<b>473,615</b>	<b>465,754</b>	<b>1,450,554</b>
<b>Inter-fund balances</b>	<b>(22,176)</b>	<b>6,238</b>	<b>15,938</b>	<b>-</b>

**MAA GROUP BERHAD (471403-A)**  
(Incorporated in Malaysia)

**NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND YEAR ENDED 31 DECEMBER 2015**

**A15. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION BY FUNDS (AUDITED)  
AS AT 31 DECEMBER 2014**

	Shareholders' fund	General fund	Life fund	General takaful fund	Family takaful fund	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Assets</b>						
Property, plant and equipment	17,245	52	-	-	-	17,297
Investment properties	14,846	-	-	-	-	14,846
Intangible assets	3,584	-	-	-	-	3,584
Associates	64,866	-	-	-	-	64,866
Deferred tax assets	-	-	-	3,213	607	3,820
Tax recoverable	955	35	-	249	19	1,258
Reinsurance/retakaful assets	-	6,509	-	280,382	14,535	301,426
Investments	161,649	2,054	-	65,956	370,589	600,248
Financial assets at fair value through profit or loss	13,279	-	-	-	307,726	321,005
Available-for-sale financial assets	122,809	1,562	-	49,122	37,221	210,714
Held-to-maturity financial assets	-	-	-	15,366	25,636	41,002
Loans and receivables	25,561	492	-	1,468	6	27,527
Insurance/takaful receivables	-	56,402	-	97,819	2,674	156,895
Trade and other receivables	47,432	57	-	4,014	1,295	52,798
Cash and cash equivalents	213,720	827	420	48,122	79,179	342,268
<b>Total assets</b>	<b>524,297</b>	<b>65,936</b>	<b>420</b>	<b>499,755</b>	<b>468,898</b>	<b>1,559,306</b>
<b>Equity, policyholders' funds and liabilities</b>						
<b>Liabilities</b>						
Insurance/takaful contract liabilities	-	34,857	-	366,291	445,980	847,128
Deferred tax liabilities	911	-	-	-	-	911
Insurance/takaful payables	-	84,243	-	119,126	6,308	209,677
Trade and other payables	39,552	316	410	8,249	9,016	57,543
Current tax liabilities	40	10	-	-	-	50
<b>Total liabilities</b>	<b>40,503</b>	<b>119,426</b>	<b>410</b>	<b>493,666</b>	<b>461,304</b>	<b>1,115,309</b>
<b>Equity, policyholders' funds and liabilities</b>						
Share capital	304,354	-	-	-	-	304,354
Treasury shares	(1,312)	-	-	-	-	(1,312)
Retained earnings/(accumulated losses)	125,744	-	-	(551)	(11,348)	113,845
Reserves	7,024	-	-	-	-	7,024
<b>Total equity attributable to the owners of the Company</b>	<b>435,810</b>	<b>-</b>	<b>-</b>	<b>(551)</b>	<b>(11,348)</b>	<b>423,911</b>
Non-controlling interests	20,086	-	-	-	-	20,086
<b>Total equity</b>	<b>455,896</b>	<b>-</b>	<b>-</b>	<b>(551)</b>	<b>(11,348)</b>	<b>443,997</b>
<b>Total equity, policyholders' funds and liabilities</b>	<b>496,399</b>	<b>119,426</b>	<b>410</b>	<b>493,115</b>	<b>449,956</b>	<b>1,559,306</b>
<b>Inter-fund balances</b>	<b>27,898</b>	<b>(53,490)</b>	<b>10</b>	<b>6,640</b>	<b>18,942</b>	<b>-</b>

**MAA GROUP BERHAD (471403-A)**  
(Incorporated in Malaysia)

**NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND YEAR ENDED 31 DECEMBER 2015**

**A15. CONDENSED CONSOLIDATED INCOME STATEMENT BY FUNDS (UNAUDITED)  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

Continuing Operations

	Shareholders' fund	General fund	General takaful fund	Family takaful fund	Inter-fund elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Operating revenue</b>	20,358	165	283,137	262,019	-	565,679
Gross earned premiums/contributions	-	1	277,615	250,736	-	528,352
Premiums/contributions ceded to reinsurers/retakaful operators	-	-	(179,942)	(14,053)	-	(193,995)
<b>Net earned premiums/contributions</b>	-	1	97,673	236,683	-	334,357
Investment income	13,295	164	5,522	11,283	-	30,264
Realised gains and losses – net	(4,484)	-	(188)	5,332	-	660
Fair value gains and losses - net	3,177	-	-	12,101	-	15,278
Fee and commission income	-	-	41,876	-	-	41,876
Other operating revenue from non-insurance businesses	7,063	-	-	-	-	7,063
Other operating income/(expenses) - net	73,164	259	(1,937)	(17,264)	-	54,222
Surplus sharing from General takaful	1,518	-	-	-	(1,518)	-
Surplus sharing from Family takaful	11,250	-	-	-	(11,250)	-
Wakalah fee from takaful businesses	150,488	-	-	-	(150,488)	-
<b>Other revenue</b>	255,471	423	45,273	11,452	(163,256)	149,363
Gross benefits and claims paid	-	(6,463)	(122,839)	(161,027)	-	(290,329)
Claims ceded to reinsurers/retakaful operators	-	3,010	84,155	11,307	-	98,472
Gross change to contract liabilities	-	11,954	(8,396)	(15,269)	-	(11,711)
Change in contract liabilities ceded to reinsurers/retakaful operators	-	(6,497)	(21,930)	(925)	-	(29,352)
<b>Net insurance/takaful benefits and Claims</b>	-	2,004	(69,010)	(165,914)	-	(232,920)
Fee and commission expense	(98,818)	-	-	-	-	(98,818)
Management expenses	(122,533)	(1,753)	4,643	1,500	-	(118,143)
Expenses liabilities	(377)	-	-	-	-	(377)
Surplus sharing with Shareholders' fund	-	-	(1,518)	(11,250)	12,768	-
Wakalah fee payable to Shareholders' fund	-	-	(75,356)	(75,132)	150,488	-
<b>Other expenses</b>	(221,728)	(1,753)	(72,231)	(84,882)	163,256	(217,338)
Share of profit of associates, net of tax	3,790	-	-	-	-	3,790
<b>Profit/(loss) before taxation</b>	37,533	675	1,705	(2,661)	-	37,252
Zakat	(72)	-	-	-	-	(72)
<b>Profit/(loss) after Zakat</b>	37,461	675	1,705	(2,661)	-	37,180
Tax expenses attributable to participants	-	-	(1,154)	(2,034)	-	(3,188)
<b>Profit/(loss) before taxation for Shareholders' fund</b>	37,461	675	551	(4,695)	-	33,992
Taxation	(9,535)	-	(1,154)	(2,034)	-	(12,723)
Tax expenses attributable to participants	-	-	1,154	2,034	-	3,188
Tax expenses attributable to Shareholders' fund	(9,535)	-	-	-	-	(9,535)
<b>Profit/(loss) for the financial year</b>	27,926	675	551	(4,695)	-	24,457

**NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND YEAR ENDED 31 DECEMBER 2015**

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**A15. CONDENSED CONSOLIDATED INCOME STATEMENT BY FUNDS (UNAUDITED)  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

Discontinued Operations

	Shareholders' fund	Total
	RM'000	RM'000
<b>Operating revenue</b>	<u>417</u>	<u>417</u>
Investment income	148	148
Other operating revenue from non- insurance businesses	<u>269</u>	<u>269</u>
<b>Other revenue</b>	<u>417</u>	<u>417</u>
Management expenses	(1,788)	(1,788)
<b>Other expenses</b>	<u>(1,788)</u>	<u>(1,788)</u>
<b>Loss before taxation</b>	<u>(1,371)</u>	<u>(1,371)</u>
Taxation	-	-
<b>Loss for the financial year</b>	<u>(1,371)</u>	<u>(1,371)</u>

**MAA GROUP BERHAD (471403-A)**  
(Incorporated in Malaysia)

**NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND YEAR ENDED 31 DECEMBER 2015**

**A15. CONDENSED CONSOLIDATED INCOME STATEMENT BY FUNDS (RESTATED)  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**

Continuing Operations

	Shareholders' fund	General fund	Life fund	General takaful fund	Family takaful fund	Inter-fund elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Operating revenue</b>	<b>21,821</b>	<b>290</b>	<b>53</b>	<b>290,650</b>	<b>381,917</b>	<b>-</b>	<b>694,731</b>
Gross earned premiums/ contributions	-	110	-	286,810	367,560	-	654,480
Premiums/contributions ceded to reinsurers/retakaful operators	-	(3)	-	(219,082)	(5,754)	-	(224,839)
<b>Net earned premiums/contributions</b>	<b>-</b>	<b>107</b>	<b>-</b>	<b>67,728</b>	<b>361,806</b>	<b>-</b>	<b>429,641</b>
Investment income	14,727	180	53	3,840	14,357	-	33,157
Realised gains and losses – net	821	56	-	(64)	21,378	-	22,191
Fair value gains and losses - net	347	-	(389)	-	(28,297)	-	(28,339)
Fee and commission income	-	-	-	43,924	-	-	43,924
Other operating revenue from non-insurance businesses	7,094	-	-	-	-	-	7,094
Other operating income/(expenses) - net	11,382	13,233	252	-	(15,182)	-	9,685
Surplus sharing from Family takaful	11,000	-	-	-	-	(11,000)	-
Wakalah fee from takaful businesses	154,106	-	-	-	-	(154,106)	-
<b>Other revenue</b>	<b>199,477</b>	<b>13,469</b>	<b>(84)</b>	<b>47,700</b>	<b>(7,744)</b>	<b>(165,106)</b>	<b>87,712</b>
Gross benefits and claims paid	-	(52,938)	-	(86,131)	(192,031)	-	(331,100)
Claims ceded to reinsurers/ retakaful operators	-	51,243	-	64,922	5,391	-	121,556
Gross change to contract liabilities	-	38,619	489	(87,138)	(84,026)	-	(132,056)
Change in contract liabilities ceded to reinsurers/retakaful operators	-	(36,301)	-	73,216	(955)	-	35,960
<b>Net insurance/takaful benefits and claims</b>	<b>-</b>	<b>623</b>	<b>489</b>	<b>(35,131)</b>	<b>(271,621)</b>	<b>-</b>	<b>(305,640)</b>
Fee and commission expense	(102,615)	-	-	-	-	-	(102,615)
Management expenses	(99,837)	2,792	(222)	(10,508)	(805)	-	(108,580)
Expenses liabilities	(2,525)	-	-	-	-	-	(2,525)
Surplus sharing with Shareholders' fund	-	-	-	-	(11,000)	11,000	-
Wakalah fee payable to Shareholders' fund	-	-	-	(72,300)	(81,806)	154,106	-
Finance costs	(325)	-	-	-	-	-	(325)
<b>Other expenses</b>	<b>(205,302)</b>	<b>2,792</b>	<b>(222)</b>	<b>(82,808)</b>	<b>(93,611)</b>	<b>165,106</b>	<b>(214,045)</b>
Share of profit of associates, net of tax	2,320	-	-	-	-	-	2,320
<b>(Loss)/profit before taxation</b>	<b>(3,505)</b>	<b>16,991</b>	<b>183</b>	<b>(2,511)</b>	<b>(11,170)</b>	<b>-</b>	<b>(12)</b>
Tax income/(expenses) attributable to participants	-	-	-	1,960	(178)	-	1,782
<b>(Loss)/profit before taxation for Shareholders' fund</b>	<b>(3,505)</b>	<b>16,991</b>	<b>183</b>	<b>(551)</b>	<b>(11,348)</b>	<b>-</b>	<b>1,770</b>
Taxation	(1,430)	-	-	1,960	(178)	-	352
Tax (income)/expenses attributable to participants	-	-	-	(1,960)	178	-	(1,782)
Tax expenses attributable to Shareholders' fund	(1,430)	-	-	-	-	-	(1,430)
<b>(Loss)/profit for the financial year</b>	<b>(4,935)</b>	<b>16,991</b>	<b>183</b>	<b>(551)</b>	<b>(11,348)</b>	<b>-</b>	<b>340</b>

**A15. CONDENSED CONSOLIDATED INCOME STATEMENT BY FUNDS (RESTATED)  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**

Discontinued Operations

	Shareholders' fund	Total
	RM'000	RM'000
<b>Operating revenue</b>	<u>256</u>	<u>256</u>
Investment income	156	156
Realised gains and losses – net	7,588	7,588
Other operating revenue from non-insurance businesses	100	100
Other operating income - net	<u>12,864</u>	<u>12,864</u>
<b>Other revenue</b>	<u>20,708</u>	<u>20,708</u>
Management expenses	<u>(3,234)</u>	<u>(3,234)</u>
<b>Other expenses</b>	<u>(3,234)</u>	<u>(3,234)</u>
<b>Profit before taxation</b>	<u>17,474</u>	<u>17,474</u>
Taxation	(21)	(21)
<b>Profit for the financial year</b>	<u>17,453</u>	<u>17,453</u>



**MAA GROUP BERHAD (471403-A)**

(Incorporated in Malaysia)

**NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND YEAR ENDED 31 DECEMBER 2015**

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**PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**B1. REVIEW OF GROUP PERFORMANCE**

In these Interim Reports under review, the discontinued operations for the financial year ended 31 December 2015 represent MAACA Corporate Services Sdn Bhd, a subsidiary company disposed during the year and MAA Cards Sdn Bhd, a subsidiary company where the Group had signed a conditional Share Sale Agreement for the proposed disposal of the company as disclosed in note B10(b) and note B10(d) respectively of this report, whereas the discontinued operations for the preceding financial year ended 31 December 2014 represent Chelsea Parking Services Sdn Bhd, Nilam Timur Sdn Bhd and MAACA Labuan Ltd which were disposed during the year.

To conform to the current financial year's presentation of financial statements, the preceding financial year's results of these subsidiary companies have been reclassified from continuing operations to discontinued operations for comparative purposes.

**Current financial quarter ended 31 December 2015 ("4Q-2015") against preceding year's corresponding financial quarter ended 31 December 2014 ("4Q-2014")**

Operating revenue

The Group recorded a decrease of 20.2% in total operating revenue to RM136.4 million for 4Q-2015 under review (4Q-2014: RM170.9 million), of which the continuing operations recorded RM136.3 million (4Q-2014: RM170.8 million) and the discontinued operations recorded RM56,000 (4Q-2014: RM69,000).

Under the conventional insurance business, the General Insurance Division comprised wholly of the Indonesia operations recorded a nil gross earned premiums (4Q-2014: gross earned premium of RM4,000) due to run-off effects of the said operations that has commenced in 2013.

Under the takaful business, the General Takaful Division recorded a decrease in total gross earned contributions by 20.3% to RM65.6 million (4Q-2014: RM82.3 million), mainly decline from motor, personal accident, marine, aviation and classes of business, whilst the Family Takaful Division registered a 19.5% decrease in total gross earned contributions to RM63.2 million (4Q-2014: RM78.5 million), affected by the decline from single contribution investment-linked products.

The Shareholders' fund recorded total operating revenue of RM3.9 million (4Q-2014: RM4.6 million), of which the continuing operations recorded RM3.8 million (4Q-2014: RM4.5 million) and the discontinued operations recorded RM56,000 (4Q-2014: RM69,000).

**NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND YEAR ENDED 31 DECEMBER 2015**

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**B1. REVIEW OF GROUP PERFORMANCE (continued)**

**Current financial quarter ended 31 December 2015 ("4Q-2015") against preceding year's corresponding financial quarter ended 31 December 2014 ("4Q-2014")** (continued)

Profit / loss before taxation

The Group recorded a profit before taxation ("PBT") of RM31.3 million for 4Q-2015 (4Q-2014: PBT of RM3.4 million), of which the continuing operations recorded a PBT of RM31.4 million (4Q-2014: Loss before taxation ("LBT") of RM3.7 million) and the discontinued operations recorded a LBT of RM0.1 million (4Q-2014: PBT of RM7.1 million).

Under the conventional insurance business, the General Insurance Division recorded a PBT of RM1.5 million (4Q-2014: PBT of RM6.5 million). The profit in 4Q-2015 was mainly from unrealised foreign exchange gain due to appreciation of Indonesia Rupiah currency against US Dollar for certain US Dollar claim liabilities and reduction in claims reserves. The profit in 4Q-2014 mainly comprised of an income of RM4.2 million from claim liabilities waived via hair-cut negotiations.

Under the takaful business, the General Takaful Division recorded a surplus of RM0.1 million (4Q-2014: deficit of RM2.1 million) transferred to the Shareholders' fund, mainly contributed by lower wakalah fee expenses and write back of impairment allowance for takaful receivables. The Family Takaful Division recorded a surplus of RM3.7 million (4Q-2014: surplus of RM4.0 million) transferred to the Shareholders' fund from the investment-linked takaful risk fund and a deficit of RM2.2 million (4Q-2014: deficit of RM6.2 million) from the non-investment-linked takaful risk fund.

The Shareholders' Fund recorded a PBT of RM32.1 million in 4Q-2015 (4Q-2014: PBT of RM3.8 million), of which the continuing operations recorded a PBT of RM32.2 million (4Q-2014: LBT of RM3.3 million), after taking into account the surplus transfer of RM0.1 million (4Q-2014: deficit of RM2.1 million) from the General Takaful fund and a surplus of RM3.7 million (4Q-2014: surplus of RM4.0 million) from the Family Takaful fund whilst the discontinued operations recorded a LBT of RM0.1 million (4Q-2014: PBT of RM7.1 million). The higher PBT in 4Q-2015 was due mainly to a gain of RM48.3 million from deconsolidation of PT MAAG and higher surplus transfer from takaful funds.

**Current financial year ended 31 December 2015 ("FYE2015") against preceding financial year ended 31 December 2014 ("FYE2014")**

Operating revenue

The Group recorded a decrease of 18.5% in total operating revenue to RM566.1 million for FYE2015 under review (FYE2014: RM695.0 million), of which the continuing operations recorded RM565.7 million (FYE2014: RM694.7 million) and the discontinued operations recorded RM0.4 million (FYE2014: RM0.3 million).

Under the conventional insurance business, the General Insurance Division comprised wholly of the Indonesia operations recorded a minimal gross earned premiums of RM1,000 (FYE2014: RM110,000) due to run-off effects of the said operations that has commenced in 2013.

**NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND YEAR ENDED 31 DECEMBER 2015**

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**B1. REVIEW OF GROUP PERFORMANCE (continued)**

**Current financial year ended 31 December 2015 (“FYE2015”) against preceding financial year ended 31 December 2014 (“FYE2014”) (continued)**

Operating revenue (continued)

Under the takaful business, the General Takaful Division recorded a decrease in total gross earned contributions by 3.2% to RM277.6 million (FYE2014: RM286.8 million), mainly decline from fire, personal accident, marine, aviation and transit and engineering classes of business, whilst the Family Takaful Division registered a 31.8% decrease in total gross earned contributions to RM250.7 million (FYE2014: RM367.6 million), affected by the decline from single contribution investment-linked products.

The Shareholders’ fund recorded total operating revenue of RM20.8 million (FYE2014: RM22.1 million), of which the continuing operations recorded RM20.4 million (FYE2014: RM21.8 million) and the discontinued operations recorded RM0.4 million (FYE2014: RM0.3 million).

Profit / loss before taxation

The Group recorded a PBT of RM32.6 million for FYE2015 (FYE2014: PBT of RM19.3 million), of which the continuing operations recorded a PBT of RM34.0 million (FYE2014: PBT of RM1.8 million) and the discontinued operations recorded a LBT of RM1.4 million (FYE2014: PBT of RM17.5 million).

Under the conventional insurance business, the General Insurance Division recorded a PBT of RM0.7 million (FYE2014: PBT of RM17.0 million). The lower PBT in FYE2015 arose mainly from unrealised foreign exchange loss due to depreciation of Indonesia Rupiah currency against US Dollar for certain US Dollar claim liabilities, offset partially by reduction in claims reserves and reinstatement premium. The profit in FYE2014 was mainly from an income of RM16.5 million from claim liabilities waived via hair-cut negotiations.

Under the takaful business, the General Takaful Division recorded a surplus of RM1.5 million (FYE2014: Nil) transferred to the Shareholders’ fund, mainly contributed by higher net earned contributions and write back impairment allowance for takaful receivables. The Family Takaful Division recorded a surplus of RM11.3 million (FYE2014: surplus of RM11.0 million) transferred to the Shareholders’ fund from the investment-linked takaful risk fund and a deficit of RM4.7 million (FYE2014: deficit of RM11.3 million) from the non-investment-linked takaful risk fund. The said lower deficit was resulted by the efforts taken to reprice loss-making medical products.

The Shareholders’ Fund recorded a PBT of RM36.1 million (FYE2014: PBT of RM14.0 million), of which the continuing operations recorded a PBT of RM37.5 million (FYE2014: LBT of RM3.5 million), after taking into account the surplus transfer of RM1.5 million (FYE2014: Nil) from the General Takaful fund and RM11.3 million (FYE2014: RM11.0 million) from the Family Takaful fund and the discontinued operations recorded a LBT of RM1.4 million (FYE2014: PBT of RM17.5 million). The higher PBT in FYE2015 was due mainly to a gain of RM48.3 million from deconsolidation of PT MAAG and higher surplus transfer from takaful funds.

**NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND YEAR ENDED 31 DECEMBER 2015**

**B2. RESULTS OF THE CURRENT FINANCIAL QUARTER (4Q-2015) AGAINST THE PRECEDING FINANCIAL QUARTER (3Q-2015)**

In 4Q-2015, the Group registered a PBT of RM31.3 million (3Q-2015: LBT of RM1.5 million). The profit recorded in 4Q-2015 was mainly contributed by a gain of RM48.3 million from deconsolidation of PT MAAG and surplus transfer from takaful funds.

**B3. PROSPECTS**

Given the projected weak global economic growth in 2016, the Group expects the operating environment to be increasingly challenging and competitive. Notwithstanding this, the Group will continue its efforts to implement management action plans to expanding existing business and improve profitability. The Group expects its performance for the next financial year to perform in tandem with the Malaysian economy.

On the PN17 status of the Company, it is the Board's intention to maintain the listing status of the Company. Accordingly the Company is in the process of preparing a regularisation plan that takes cognisance of the effects of the proposed disposal of MAA Takaful for submission to Bursa Securities.

**B4. PROFIT FORECAST OR PROFIT GUARANTEE**

There was no profit forecast or profit guarantee issued by the Group.

**B5. INVESTMENT INCOME**

	3 months period ended		12 months period ended	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
	RM'000	RM'000	RM'000	RM'000
<u>Continuing Operations</u>				
Interest income	6,268	7,502	27,734	27,992
Dividend income	423	1,871	3,062	5,994
Rental income	118	18	163	117
Amortisation of premium	(48)	(265)	(695)	(946)
	6,761	9,126	30,264	33,157
<u>Discontinued Operations</u>				
Interest income	37	43	148	156

**NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND YEAR ENDED 31 DECEMBER 2015**

**B6. REALISED GAINS AND LOSSES – NET**

	3 months period ended		12 months period ended	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
	RM'000	RM'000	RM'000	RM'000
<u>Continuing Operations</u>				
Gains/(loss) on disposal of:				
- Investments	(504)	5,778	690	22,223
- Property, plant and equipment	27	(93)	(30)	(35)
- Intangible assets	-	3	-	3
	(477)	5,688	660	22,191
<u>Discontinued Operations</u>				
Gains/(loss) on disposal of:				
- Property, plant and equipment	-	-	-	(25)
- Subsidiaries	-	7,613	-	7,613
	-	7,613	-	7,588

**B7. FAIR VALUE GAINS AND LOSSES – NET**

	3 months period ended		12 months period ended	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
	RM'000	RM'000	RM'000	RM'000
<u>Continuing Operations</u>				
Net fair value gains/(losses):				
- investment properties	489	2,021	1,778	2,021
- investments	17,021	(27,376)	13,500	(30,360)
	17,510	(25,355)	15,278	(28,339)

**NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND YEAR ENDED 31 DECEMBER 2015**

**B8. PROFIT/(LOSS) BEFORE TAXATION FOR THE FINANCIAL QUARTER AND YEAR**

Profit/(loss) before taxation for the financial quarter and year is arrived at after crediting/(charging):

	3 months period ended		12 months period ended	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
	RM'000	RM'000	RM'000	RM'000
<u>Continuing Operations</u>				
Property, plant and equipment				
- written off	-	(5)	-	(298)
- allowance for impairment loss	(838)	(44)	(838)	(44)
Bad debts (written off)/recovered	(131)	26	(81)	94
(Allowance for)/write back of impairment loss on:				
- trade and other receivables	(8,473)	(50)	(8,452)	393
- insurance/takaful receivables	7,589	5,068	6,164	(6,737)
- loans from leasing, hire purchase and others receivables	6	(7,504)	92	(5,174)
Loss on derecognition of an associate	-	(108)	-	(108)
Net foreign exchange gain/(loss)	2,447	(110)	3,952	171
Income from claim liabilities waived	(2,354)	4,225	171	16,491
Gain from deconsolidation of a subsidiary	48,324	-	48,324	-
Allowance for liquidation fees and expenses of a deconsolidated subsidiary	(5,656)	-	(5,656)	-
Depreciation of property, plant and equipment	(872)	(860)	(3,335)	(3,399)
Amortisation of intangible assets	(351)	(283)	(1,449)	(1,204)
Amortisation of leases	-	(2)	(2)	(2)
<u>Discontinued Operations</u>				
Write back of Zurich's counterclaims	-	-	-	12,500
Net foreign exchange gain	-	363	-	363
Depreciation of property, plant and equipment	(4)	(62)	(14)	(75)
Amortisation of intangible assets	(6)	(6)	(24)	(24)
Amortisation of leases	-	-	-	(23)

**NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND YEAR ENDED 31 DECEMBER 2015**

**B9. TAXATION**

	3 months period ended		12 months period ended	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
	RM'000	RM'000	RM'000	RM'000
<u>Continuing Operations</u>				
<u>Current tax</u>				
Current financial quarter/year	379	(936)	2,806	1,559
Under provision in prior financial quarter/year	6,737	961	6,726	1,079
	7,116	25	9,532	2,638
<u>Deferred tax</u>				
Current financial quarter/year	14	(1,198)	3	(1,208)
	14	(1,198)	3	(1,208)
Tax expense/(income)	7,130	(1,173)	9,535	1,430
<u>Discontinued Operations</u>				
<u>Current tax</u>				
Current financial quarter/year	-	20	-	21
Tax expense	-	20	-	21

The Group's effective tax rate for the current financial quarter was lower than the statutory tax rate of 25% due mainly to certain income/gain not subject to tax, while the Group's effective tax rate for the current financial year was higher than the statutory tax rate of 25% due to certain non-deductible expenses and under provision of tax in prior years.

The Group's effective tax rate for the previous financial quarter was higher than statutory tax rate of 25% due to certain non-deductible expenses, while the Group's effective tax rate for the previous financial year was lower than the statutory tax rate of 25% due mainly to certain income/gain not subject to tax.

**B10. STATUS OF CORPORATE PROPOSALS**

- (a) On 30 September 2011, the Company became an affected listed issuer pursuant to Practice Note 17 (“PN17”) of the Listing Requirements whereby a listed issuer has suspended or ceased its major business, i.e. in this case the disposal of Malaysian Assurance Alliance Berhad (now known as Zurich Insurance Malaysia Berhad).

Nonetheless, the Company did not trigger any of the other prescribed criteria under PN17 of the Listing Requirements, such as consolidated shareholders’ equity of 25% or less of the issued and paid up share capital, a default in payment by the Group, the auditors having expressed an adverse or disclaimer opinion on the Company’s latest audited accounts, etc.

Pursuant to Paragraph 8.04(3) of the Listing Requirements, the Company is required to regularise its condition by undertaking a regularisation plan. The regularisation plan was required to be submitted to Bursa Malaysia Securities Berhad (“Bursa Securities”) within a period of twelve (12) months from the date of the First Announcement, which was due on 30 September 2012, and subsequently extended until 30 June 2016 via Bursa Securities’ letters dated 18 February 2016, 4 August 2015, 23 March 2015, 21 October 2014, 11 March 2014, 1 August 2013 and 20 December 2012.

The Extension of Time of up to 30 June 2016 for the Company to submit a regularisation plan is without prejudice to Bursa Securities’ right to proceed to suspend the trading of the listed securities of the Company and to de-list the Company in the event:

- (i) The Company fails to submit a regularisation plan to the regulatory authorities on or before 30 June 2016;
- (ii) The Company fails to obtain approval from any of the regulatory authorities necessary for the implementation of its regularisation plan; and
- (iii) The Company fails to implement its regularisation plan within the time frame or extended time frame stipulated by any of the regulatory authorities.

Upon occurrence of any of the events set out in (i) to (iii) above, Bursa Securities shall suspend the trading of the listed securities of the Company on the next market day after five (5) market days from the date of notification of suspension by Bursa Securities and de-list the Company, subject to the Company’s right to appeal against the delisting.

- (b) On 20 May 2015, MAA Corporate Advisory Services Sdn Bhd (“MAACA’), a wholly owned subsidiary of MAA Corporation Sdn Bhd (“MAA Corp”), who in turn a wholly owned subsidiary of the Company, disposed its entire equity interest held in a dormant subsidiary, MAACA Corporate Services Sdn Bhd (“MAACACS”) that has ceased operations for a total cash consideration of RM10, arrived at on a willing-buyer and willing-seller basis after taking into considerations the net assets of MAACACS as at 30 April 2015 of RM10.



**NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND YEAR ENDED 31 DECEMBER 2015**

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**B10. STATUS OF CORPORATE PROPOSALS (continued)**

(c) On 16 June 2015, the Company announced that BNM had via its letter dated 15 June 2015 stated that it has no objection in principle for the Company, Solidarity Group Holding BSC (Closed) ("Solidarity") (holding 25% equity interest in MAA Takaful) and Zurich to commence negotiations for the proposal disposal of 100% equity interest held in MAA Takaful ("Proposed Disposal"). The Company, Solidarity and Zurich would be required to obtain the prior approval of the Minister of Finance ("MOF"), with the recommendation of BNM, pursuant to the Islamic Financial Services Act 2013, before entering into any agreement to effect the Proposed Disposal.

On 30 November 2015, the Company announced that it has submitted an application jointly with Solidarity and Zurich to BNM for approval of the MOF pursuant to the Islamic Financial Services Act, 2013 to enter an agreement for the Proposal Disposal. The said application is still being reviewed by BNM.

(d) On 8 September 2015, MAA Corp and ePROTEA ("the Purchaser") had entered into a conditional Share Sale Agreement ("SSA") for the proposed disposal of the entire issued share capital of MAA Cards Sdn Bhd ("MAA Cards") ("Sale Shares"). The completion of the SSA is inter alia, conditional upon the parties' obtaining all necessary consents, approvals or clearance from the regulatory authorities for the acquisition of the Sale Shares by the Purchaser. Subject to fulfillment of the conditions precedent under the SSA and upon completion of the Proposed Disposal, MAA Cards will cease to be a subsidiary of the Company. The total consideration for the Sale Shares shall be the aggregate of RM1,000,000 and the amount equivalent to the final net current asset of MAA Cards on completion date. The Proposed Disposal has not been completed pending the approval of BNM.

(e) On 14 September 2015, the Company announced that PT MAAG, a subsidiary of MAA International Assurance Ltd has received a letter dated 10 September 2015 from Otoritas Jasa Keuangan ("OJK"), the Indonesia Financial Services Authority, informing PT MAAG that its operating license has been revoked with effect from 3 September 2015. OJK performs its regulatory and supervisory duties over financial services activities including insurance activities in Indonesia. Based on the terms and conditions contained in the said letter, PT MAAG is required to appoint a liquidator or form a liquidation team within 30 days from the date of the revocation letter. PT MAAG has submitted an application to OJK to seek extension of time till end of November 2015 to appoint a liquidator.

On 30 September 2015, PT MAAG passed a members' resolution to approve the dissolution and winding up of the company. On 1 December 2015, Tuan Dharma Azhar Damanik, S.H. and Tuan Romanus Muda Kota, S.H. of SRD & Co Lawyers were appointed as liquidators to facilitate the member's voluntary winding up of PT MAAG.

Following the appointment of the liquidators, the Company relinquished its control and involvement in the operation and financial matters of PT MAAG to the liquidators. Accordingly, PT MAAG ceased to be a subsidiary of the Company with effect from 1 December 2015 and has been deconsolidated from group consolidated accounts on that date.

Other than as stated above, there was no corporate proposal announced but not completed as at the reporting date.

**NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND YEAR ENDED 31 DECEMBER 2015**

**B11. CHANGES IN MATERIAL LITIGATION**

There was no material litigation against the Group and the Company as at the reporting date.

**B12. DIVIDEND**

On 2 April 2015, the Board of Directors declared a first interim dividend of 3 sen per share totaling RM9,000,302 under the single-tier dividend system in respect of the financial year ended 31 December 2015. The interim dividend was paid on 30 April 2015 to depositors registered in the record of depositors as at 17 April 2015.

On 7 September 2015, the Board of Directors declared a second interim gross dividend of 3 sen per share totaling RM8,786,000 under the single-tier dividend system in respect of the financial year ended 31 December 2015. The second interim dividend was paid on 9 October 2015 to depositors registered in the record of depositors as at 28 September 2015.

The Board of Directors has agreed to declare the payment of a first interim gross dividend of 3 sen per share under the single-tier dividend system in respect of the financial year ending 31 December 2016. The interim dividend payment date will be announced later.

**B13. EARNINGS PER SHARE**

	3 months period ended		12 months period ended	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
<u>Attributable to the Owners of the Company:</u>				
Net profit/(loss) for the financial quarter/year (RM'000)				
- Continuing operations	25,702	(1,688)	25,996	(711)
- Discontinued operations	(137)	7,101	(1,371)	17,453
	25,565	5,413	24,625	16,742
Weighted average number of ordinary shares in issue ('000)	300,589	304,216	297,846	304,216
Basic earnings/(loss) per share (sen)				
- Continuing operations	8.55	(0.55)	8.73	(0.23)
- Discontinued operations	(0.05)	2.33	(0.46)	5.74
	8.50	1.78	8.27	5.51

**NOTES TO THE REPORT FOR THE FINANCIAL QUARTER AND YEAR ENDED 31 DECEMBER 2015**

**B14. AUDITOR'S REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS**

The auditor's report on the audited annual financial statements for the financial year ended 31 December 2014 was not qualified.

**B15. DISCLOSURE OF REALISED AND UNREALISED PROFITS/(LOSSES)**

The following analysis of realised and unrealised retained profits at the legal entity level is prepared in accordance with Guidance of Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Securities Listing Requirements, issued by the Malaysian Institute of Accountants whilst the disclosure at the Group level is based on the prescribed format by the Bursa Securities.

	As at 31.12.2015	As at 31.12.2014
	RM'000	RM'000
Total retained earnings of the Group:		
- Realised	91,601	109,455
- Unrealised	13,014	(78)
	104,615	109,377
Total share of accumulated profits/(losses) from associates		
- Realised	2,013	(6,131)
- Unrealised	3,929	8,283
	5,942	2,152
	110,557	111,529
Add: Consolidation adjustments	2,081	2,316
<b>Total Group retained earnings as per statement of financial position</b>	<b>112,638</b>	<b>113,845</b>

The disclosure of realised and unrealised profits/(losses) above is solely for complying with the directive issued by Bursa Securities and should not be used for any other purposes.

**By Order of the Board**

Lily Yin Kam May  
Yeo Took Keat  
Company Secretaries

KUALA LUMPUR  
DATE: 29 February 2016